

AUTO RACING AGREEMENT

THIS AUTO RACING AGREEMENT, made and entered into this ____ day of _____, 2006, by and between the City of Las Vegas, a municipal corporation of the State of Nevada (hereinafter referred to as "City") and Vegas Grand Prix, LLC., DBA "Vegas Grand Prix", a limited liability company organized under the laws of the State of Nevada (hereinafter referred to as "VGP").

WITNESSETH:

WHEREAS, VGP has considerable expertise, skills and relationships in the design, promotion and operation of temporary auto circuits; and

WHEREAS, VGP desires to produce and conduct annual automotive races on streets located within the municipal boundaries of City (collectively, the "Race"); and

WHEREAS, City owns, operates and maintains the public streets within the corporate boundaries of the City and possesses the authority to provide those certain licenses and approvals to use the public rights of way required for the event described herein for limited periods of time in definite locations and retaining the right to revoke the privilege upon certain conditions; and

WHEREAS, VGP desires to stage the Race and Race-related events in a manner that will provide international television exposure to City, attract destination visitors to City during the Race that will result in higher hotel occupancy, casino revenues and restaurant visitation, and generate positive community relations through fund-raising for various charitable purposes; and

WHEREAS, City and VGP have determined that it is in their mutual interest to permit the production of the Race on the streets of City and desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, City and VGP agree as follows:

1. Definitions.

As used in this Agreement, the terms defined in this Section shall have the following meanings unless the context clearly otherwise requires:

a. "Agreement" means this Auto Racing Agreement including all exhibits, schedules, amendments, and supplements attached hereto.

b. "Annual Street Improvements" mean the pre-race improvements or modifications, temporary and permanent, which must be made to the City Streets after the first year in order to hold the Race Event on an annual basis, and does not include the post race Street Repairs.

c. “Augmented Race Period” means, with respect to each Racing Event, the period of time commencing thirty (30) days before and ending fifteen (15) days after the applicable Race Period in which VGP shall be allowed to set up and dismantle the facilities and apparatus associated with the Racing Event in the Circuit Area, including, but not limited to, the Concession Facilities.

d. “Champ Car” means Champ Car World Series, LLC.

e. “Circuit Area” means the real property area within the Payline, including the City Streets and the real property area outside of the Payline more fully described in Exhibit A. The Circuit Area consists of City owned real property, City leased real property, privately owned real property and real property owned by City Parkway V, a non-profit corporation.

f. “Circuit Materials” means, without limitation, all equipment, materials, and apparatus associated with the conduct of the Racing Event within the Circuit Area which is provided by VGP, including barriers, barricades, traffic control devices, blockades, cable (electrical and other), safety equipment and devices, fencing, fence covering material, signage, broadcasting equipment, tents, cranes, forklifts, vehicles, fire protection equipment and apparatus, medical equipment and apparatus, bleachers/viewing stands, seats, suites, wiring, banners, structures, and components thereof.

g. “City Manager” means the City Manager of the City or his designee.

i. “City’s Representatives” mean the individuals from the Departments of Public Works and Fire and Rescue of the City who will serve as the points of contact for VGP on issues related to their respective Department.

j. “City Parkway” means City Parkway V, Inc., a Nevada nonprofit corporation duly organized and validly existing in the State of Nevada.

k. “City Services” means types and levels of services customarily provided by cities hosting similar events, taking into account the size and nature of the crowd and event, including, but not limited to:

(i) Fire protection, including providing personnel and equipment incidental thereto; and

(ii) Emergency medical services to the extent that they are within the control and direction of City (except emergency medical services to Participants).

l. “City Streets” mean the streets (including the sidewalks, medians, and landscaping located therein), and other public right of way owned or leased by City within the Circuit Area as more fully identified on Exhibit A.

m. “Code” means the Las Vegas Municipal Code.

n. “Concession Facilities” means the facilities from which VGP and/or its vendors, subcontractors or agents shall offer for sale Concessions within the Circuit Area.

o. “Concessions” means the business of selling, renting, consigning, and/or furnishing new goods and/or services, food, alcoholic or non-alcoholic beverages, parking, and souvenirs, but shall specifically exclude any properly licensed activities of existing City - licensed merchants and businesses in conducting their trade or business at their regular business and business premises within the Circuit Area during a Racing Event.

p. “Effective Date” means the date on which a representative of the City executes this Agreement and the other conditions of Section 14 are fulfilled or waived by the parties.

q. “Event Weekend” means the weekends identified in Exhibit F for holding each Race Event, or such weekends as may be subsequently agreed to by the parties.

r. “FIA” means the Federation Internationale de L’Automobile, the governing body for international auto sports.

s. “Initial Street Improvements” mean the pre-race improvements or modifications, temporary and permanent, which must be made to the City Streets in order to hold the first Race Event, and does not include the post race Street Repairs.

t. “Intellectual Property” means the name, logos, trademarks, trade names or other intellectual property.

u. “Losses” means any and all claims (including worker compensation claims and claims related to copyright and trademark infringement), damages (including damages as a result of the termination of this Agreement for any reason other than breach of this Agreement by City), demands, suits, actions, judgments, causes of action, legal or equitable proceedings, or any other form of liability whatsoever which are subject to the indemnification obligation set forth in Section 11.

v. “Mayor” means the Mayor of the City.

w. “Moratorium Period” means that period of time commencing forty-five (45) days prior to the commencement of the applicable Augmented Race Period and ending with the conclusion of such Augmented Race Period.

x. “Operations Manual” means that certain operations manual, to be prepared by VGP which shall include, but not be limited to, safety matters, security, schedules and procedures for the installation, construction, operation and removal of Circuit Materials and Concession Facilities, traffic management, parking management, services provided by and paid for by VGP and City pursuant to the Agreement, and other matters mutually determined by VGP and the City Manager.

y. “Participants” means the organizations and personnel directly involved in the production and carrying out of the Racing Event, such as automobile owners, automobile sponsors, automobile drivers and supporting personnel such as mechanics.

z. “Payline” means the control fence constituting the perimeter within which each Racing Event shall take place and through which no person, except emergency personnel in the event of an emergency, may enter without an event ticket, pass or credential, that will be more clearly defined in the “Operations Manual.”

aa. “Private Property” means any real property, other than City Streets, within the Circuit Area.

bb. “Race Circuit” means the specific route through City Streets and Private Property over which the Race shall be conducted, which route is shown on Exhibit A, attached hereto and by this reference made part hereof.

cc. “Race Event Damages” mean the damages to the staging area, City Streets or Private Property resulting from the Race Event which are not included as part of the estimate of the Initial or Annual Street Improvements and which are necessary to return the City Streets to their normal use, including, without limitation, fire damage or fuel-caused deterioration of the asphalt, peeling of the asphalt, damages caused by race car accidents, and soil and ground water contamination from race car fuel or other contaminants.

dd. “Race Period” means that period of time commencing at 6:00 P.M. on the Thursday preceding an Event Weekend and ending at 6:00 A.M. on the morning following such Event Weekend, or, in the event adverse weather conditions cause a delay in staging the related Racing Event (with the rescheduling of such Racing Event to be on the next raceable day as determined by VGP, Sanctioning Body and City or on such other date as is mutually agreed upon by VGP, the Sanctioning Body, and City), ending at 6:00 A.M. on the morning following the conclusion of such Racing Event or at a time mutually agreed upon by VGP and City.

ee. “Racing Event” means an automobile race or series of races, practice and qualifying events and incidental and related racing, sporting and entertainment events sanctioned by a Sanctioning Body within the Circuit Area during the related Race Period.

ff. “Sanctioning Body” means the racing body or bodies with whom VGP may contract to sanction the Race Event.

gg. “Spectator” means those people, other than Participants, within the Payline for the purpose of viewing a Racing Event.

hh. “Spectator Control Line” means the perimeter of the Trackside Area along which a control fence shall be constructed.

ii. “Street Repairs” means the restoration and repair determined necessary by the City which must be made to the City Streets, including medians, sidewalks and landscaping after the conclusion of each Race Event in order to return the City Streets to their normal use by the public.

jj. "Termination Costs" mean the sum of One Million Dollars (\$1,000,000) which will be paid to VGP in the event the City exercises its right of termination as provided in Section 17 of this Agreement.

kk. "Track" means the racing surface and pit lane over the specific route through the City Streets and Private Property over which the Racing Event shall be conducted and includes all parts of the Race Circuit.

ll. "Trackside Area" means the area between the Track and the Spectator Control Line to which access shall be restricted to those Participants, officials and media who have signed an insurance waiver and have been granted the necessary credential by the Sanctioning Body to enter the area, except that emergency personnel (in the event of an emergency), may enter without an event ticket, pass or credential.

mm. "Union Park" means the real property which is described as follows: "Lot Five (5) of Parkway Center, a Commercial Subdivision, as shown by map thereof recorded August 13, 1992 in Book 53 of Plats, page 61, in the Office of the County Recorder of Clark County, Nevada."

2. Premises.

a. City represents that it has the right and authority to grant the rights and privileges set forth herein, but only with respect to City Streets. City expressly disclaims any authority to affect Private Property rights of property owners or holders of property interests within the Circuit Area, and this Agreement shall not be otherwise construed to affect the same. In the event the Race Event becomes commercially unfeasible due to the inability to acquire adequate rights to use the Private Property of property owners or holders of property interests within the Circuit Area, VGP shall have the right to terminate this Agreement without penalty, but subject to Section 11 hereto.

b. None of the rights herein granted to VGP are, nor shall they be construed as, a lease, easement or other interest in land.

3. Term of Agreement. The term of this Agreement shall commence on the Effective Date and terminate on December 31, 2011. This Agreement may be extended for an additional five-year period at VGP's option and City's written approval, provided VGP is not in default hereunder, by VGP providing written notice of such extension to the City Manager no later than September 30, 2011. The City will indicate its approval of the extension on or before October 31, 2011, which approval shall not be unreasonably withheld. Any reference herein to the term of this Agreement shall, unless otherwise indicated, mean the term of the original Agreement and any extension thereto.

4. Use and Occupancy. VGP, subject to all of the terms and conditions of this Agreement and to the extent authorized by law, shall have:

a. During the Augmented Race Period, the exclusive right to install and remove Concession Facilities and to construct, place, or otherwise locate Circuit Materials within the Circuit Area, except for the portions of the Circuit Area already subject to lease, agreement,

other rights extended by the City to these areas, or owned by any other entity than the City. Motor and pedestrian traffic may be disrupted temporarily during the Augmented Race Period with the prior permission of the City Manager, provided that VGP provides a traffic barricade plan reasonably approved by the City Traffic Engineer for each area of disruption uses best efforts to minimize traffic disruption during the hours between 6:00 A.M. and 7:00 P.M., or as determined by the City Manager in consultation with VGP. Concession Facilities and Circuit Materials shall be removed from all areas within the Circuit Area by the end of the Augmented Race Period.

b. During each Race Period, commencing with the Racing Event in 2007, the exclusive right to produce and conduct the Racing Event in the Circuit Area during the related Event Weekend. The Racing Event in 2007 will be the first scheduled event held by the Sanctioning Body that year. For the remainder of the Agreement, the event may be scheduled in each calendar year as mutually agreed by the parties hereto.

c. During each Racing Event, the exclusive right to operate, or cause to be operated, Concessions within the Circuit Area. City shall use reasonable and lawful efforts to enforce VGP's exclusive right to Concessions within the Circuit Area, subject to the following:

- (i) VGP and/or its vendors, subcontractors or agents, at the sole expense of City, shall obtain all necessary permits required for such Concessions as may be required by the Code, and VGP and/or its vendors, subcontractors or agents, at their sole expense, shall obtain all necessary licenses required for such Concessions as may be required by the Code. In the event VGP is unable to acquire any of permits or licenses which it deems to be necessary for the Race Event, VGP shall have the right to terminate this Agreement without penalty, but subject to Section 11 hereto.
- (ii) To the extent required by law, VGP and/or its vendors, subcontractors or agents shall not use best efforts to preclude any person who does not possess a current permit or license [food handler permit] to handle or serve prepackaged or prepared food [stuffs] and/or alcoholic and non-alcoholic beverages. VGP shall keep, or cause its vendors, subcontractors or agents to keep, all Concession Facilities in a clean and sanitary condition and appearance, according to conditions required by Southern Nevada Health District, and other applicable governmental authorities.
- (iii) VGP and/or its vendors, subcontractors or agents shall, at its/their sole expense, obtain and maintain the necessary equipment, facilities, inventory and utilities required to exercise its rights under this Agreement.

d. During each Race Period, the exclusive right to produce other Race-related activities with respect to the Racing Event including, but not limited to, entertainment activities (i.e. concerts), provided the activity has been approved by the City Manager, such

approval not to be unreasonably withheld. In the event that such exclusive right is impaired with respect to any of the foregoing events, VGP shall have the right to terminate this Agreement without penalty, but subject to Section 11 hereto.

e. During each Racing Period, the exclusive right to permit and sell advertising and sponsorship rights, merchandise, hospitality space (including, but not limited to, suites and tents), and signage within the Circuit Area but only upon City Streets and in a manner not to interfere with rights of Private Property owners in the Circuit Area. In the event that exclusive right to permit and sell is impaired, VGP shall have the right to terminate this Agreement without penalty, but subject to Section 11 hereto.

5. VGP Covenants. VGP covenants and agrees that, during the term hereof, it will:

a. Use the Track and the Circuit Area only for the purposes of the Racing Event(s), other Race-related activities with respect to each Racing Event and other related uses and only at the times and in the places expressly permitted hereunder or as otherwise permitted by the City Manager. City reserves and has exclusive rights to the use and occupancy of City Streets at all times except as expressly permitted to VGP herein or as otherwise permitted by the City Manager. City reserves, and shall have the exclusive right to, the use and occupancy of the Track and Circuit Area and to the possession thereof, at all times during the term of this Agreement, except during the dates that such use and occupancy is granted to VGP as provided herein or as otherwise permitted by the City Manager. Subject to Section 7(l), City shall have the right to permit the use and occupancy of the Track and Circuit Area on dates other than an Event Weekend for any purpose or purposes not inconsistent with this Agreement.

b. Produce the Racing Event(s) and other Race-related activities with respect to each Racing Event in the Circuit Area each year of the term hereof, on the days and dates as determined hereunder and, in all material respects, in accordance with the rules and regulations of the Sanctioning Body.

c. Use best efforts to hold and maintain any and all rights and franchises to produce sanctioned racing events in the City in accordance with the rules and regulations of the Sanctioning Body.

d. Restrict all of its activities under this Agreement to the City Streets and any other property to which, or in which, it secures rights.

e. Use commercially reasonable efforts to obtain a release and waiver of liability and indemnity agreement in favor of the City from all persons allowed within the Trackside Area and Track including, but not limited to, the Participants, photographers, and radio and/or television personnel.

f. Provide, at its sole expense, the design to the City for the improvements and safety systems for the Race Circuit, including any temporary or permanent modifications to the Track, as may be required by the Sanctioning Body in accordance with plans and specifications mutually agreed to by VGP, the Sanctioning Body and the City Manager.

g. Design and construct, at its sole expense, safety systems for the Circuit Area which, in its reasonable discretion, are needed to protect the public during the Racing Event.

h. Perform, at its sole expense, the necessary Street Repairs within the Circuit Area. All restoration is to be completed within fifteen (15) days after each Race Period, consistent with the Operations Manual; provided, however, any material installed which, in the sole opinion of the City, poses a threat to normal activity and use of City Streets and normal movement of traffic shall be removed immediately, and VGP shall have all public streets within the Circuit Area open to vehicular traffic by 6:00 A.M. on the day immediately following the conclusion of the related Event Weekend, provided, further, however, that VGP is not hindered or delayed in its efforts by City.

i. Pay, at its sole expense, the Race Event Damages resulting from each Race Event within thirty (30) calendar days of receiving an invoice from the City.

j. Provide and install at its sole expense the Circuit Materials and Concession Facilities not otherwise provided by the City in connection with the City Services.

k. Provide, at its sole expense, adequate portable toilets and related sanitation services, as approved by the City Manager, for the use of the Participants and Spectators during each Race Period within the Circuit Area. Except for the final street sweeping following the completion of each Racing Event to be performed by City under Section 9a hereof, provide at its sole expense all ongoing refuse and waste collection and removal during the Race Period within the Circuit Area and, at its sole expense, restore the Circuit Area to its condition prior to the Race Period, including all necessary removal of debris and waste.

l. Submit, no later than December 1st prior to the commencement of the first Augmented Race Period, an Operations Manual. Failure to submit the Operations Manual by the aforementioned deadline for the first Augmented Race Period shall constitute a material breach of this Agreement. VGP, Sanctioning Body and City will review the Operations Manual for subsequent Racing Events prior to December 31st, of each year during the term of the Agreement and modify the same, if necessary.

m. Provide adequate security within the Circuit Area as required by the Operations Manual.

n. Cooperate with City's Representatives (or as otherwise directed by City Manager) to facilitate the City's provision, at City's sole expense, of City Services hereunder, including City Services provided by the Las Vegas Fire and Rescue Department.

o. Operate each Racing Event in compliance with all applicable City laws and regulations, including applicable zoning ordinances, subject to applicable permits, if any.

p. Reasonably protect Private Property rights and not prevent reasonable access to private or public facilities in light of the related Racing Event.

q. Operate Concessions only during the Event Weekend.

r. In consideration of the rights granted by the City to VGP under this agreement, VGP will at no cost to the City provide a hospitality suite capable of seating 50 persons within the area designated as "Pit Lane Suites" on the attached Exhibit A for use by City officials for economic development purposes.

s. Use its best efforts to minimize the financial impact on the Clark County Regional Transportation Commission.

6. Sanctioning Body. The Sanctioning Body shall be an internationally recognized Grand Prix sanctioning organization approved by the FIA, shall be a sanctioning organization with drivers, teams and cars comparable to the organization which sanctions the Racing Event in the first year of the Agreement, and be subject to approval by City, which shall not unreasonably be withheld.

City hereby approves Champ Car (or its successors by merger), as the Sanctioning Body subject to the following: By September 15, 2006, VGP will provide to the City a comprehensive Champ Car schedule for the 2007 season (with an ongoing update of that schedule as information is made available by Champ Car), together with a representation that, to the knowledge of VGP, there are no other executed contracts or ongoing negotiations involving Champ Car and third parties that are at material variance with such schedule or with the terms and conditions of this Agreement.

Subject to the applicable cure period set forth in Section 16(a) (i) hereof, failure to satisfy the above requirement of this Section 6 shall constitute grounds for City to terminate this Agreement pursuant to Section 16(e).

7. City Covenants. City covenants and agrees that, during the term hereof, it will:

a. Upon application by VGP, request that City staff use its best efforts to cause the City Council to adopt an annual resolution(s) closing the City Streets within the Race Circuit during the applicable Race Period and withdrawing the use thereof by the public.

b. Assign City staff for the purpose of preparing and using best efforts to implement, if necessary, an ordinance for adoption by the City Council which establishes a permit process for closing the street for race purposes including a provision, if necessary, suspending all traffic laws and regulations during the Race Event.

c. Use its best efforts to prohibit any temporary signage during the Race Periods within the Circuit Area, other than event related signs authorized by VGP or directional traffic signs.

d. To the extent permitted by applicable law and not subject to any existing agreements, prohibit the issuance of new permits to vendors for the purpose of selling food and/or novelty items or similar products during each Race Period within the Circuit Area (other than vendors approved by VGP under Section 4(c)). Use its best efforts to prohibit the sale of any non-licensed merchandise or non-licensed concessions within or around the Circuit Area.

e. Use its best efforts to assist VGP in obtaining permits and licenses from other governmental entities necessary for VGP to take full advantage of its rights under this Agreement, upon normal application and qualification by VGP, including, but not limited to, the permits and licenses required under Section 4.c.

f. Repair, at City's sole expense, the City Streets within the Circuit Area prior to the commencement of the annual Augmented Race Period, so that said streets comply in all material respects with City Code requirements. City's minimum obligation to repair City Streets within the Circuit Area prior to the first year of this Agreement is set forth in Exhibit B attached hereto and by this reference incorporated herein. However, the City's contribution shall not exceed \$500,000 and shall be limited to the first year of this Agreement. The \$500,000 contribution from the City shall be in the form of services including the paving of streets and/or street improvements as part of the Initial Street Improvements.

g. At least thirty (30) days prior to the date of approval of the Operations Manual and continuing until commencement of the Moratorium Period, notify VGP of planned developments within, on, or adjacent to, the Circuit Area which may affect VGP's planning and staging of any Racing Event or other Race-related activity. Notwithstanding the foregoing, when it becomes aware of any planned development within, on, or adjacent to, the Circuit Area which may affect VGP's planning and staging of any Racing Event, City agrees to submit nonconfidential information of which it is aware, consistent with its obligations under Chapter 239 (Public Records) and Chapter 600A (Uniform Trade Secrets Act) of the Nevada Revised Statutes.

h. Except in the event of an emergency as determined by the City Manager and to the extent permitted by law, not allow any person or entity to construct, maintain (except in accordance with this Agreement) driveway aprons or sidewalk driveway crossings or to otherwise disturb City Streets within the Circuit Area during the Augmented Race Period to the extent reasonably possible, and, to the extent required by law, require any person or entity permitted to construct, maintain (except in accordance with this Agreement) driveway aprons or sidewalk driveway crossings or otherwise disturb City Streets within the Circuit Area at any time during the term of this Augmented Race Period to restore said streets to Code prior to the commencement of the annual Moratorium Period. City agrees to use best efforts to prohibit the issuance of permits pursuant to Code Section 13.16.030 prior or during the annual Augmented Race Period.

i. Appoint the City's Representatives for the purpose of facilitating the development of a Racing Event. The City's Representative(s) shall be authorized to act on behalf of their respective departments, in order to promptly address issues arising in connection with the Racing Event so that the resolution of such issues do not unnecessarily impede the progress of such Racing Event.

j. To the extent the City has the right to control or grant broadcast television, internet, cable and radio or other similar rights for any Racing Event, release all such rights to VGP. Other than the normally accepted practices of news broadcast of sporting events of which the coverage rights have been sold to a third party, or the City's promotion of Racing Event related programming on its municipal cable channel (which shall not be inconsistent with the

Racing Event standard broadcasting agreement), City shall not have any right to broadcast or exhibit, or authorize the broadcast or exhibition, of each Racing Event through its City-owned media, whether before, during or after a Race Period, without the express written permission of VGP. In the event that VGP cannot obtain the broadcast television, internet, cable and radio or other similar rights which it deems necessary for any Racing Event, VGP shall have the right to terminate this Agreement without penalty, but subject to Section 11 hereto.

k. Based on the specifications provided by VGP, design and construct the Initial and Annual Street Improvements and provide the City Services which are necessary to conduct the Race Event.

l. Not stage, or grant any permit to allow the staging of, any other street race within the City sixty (60) days before or after each Race Event.

m. To the extent, the City has the ability, the City will waive permit fees for any permits necessary for the Racing Event and/or supporting events. All licensing fees will be the responsibility of the entity acquiring the license to conduct an event or do business in the City.

8. Street Improvements and Repairs. VGP agrees to be responsible for all of the costs for (i) the Initial Street Improvements in excess of the City's contribution in the amount of \$500,000, (ii) the Annual Street Improvements which are necessary for each Race Event after the first year, and (iii) the Street Repairs for the first year and subsequent years thereafter. The estimated Initial Street Improvements in the amount of \$1,866,849.00 are indicated on Exhibit B attached hereto.

Within ten (10) days after written notice from the City, VGP agrees to make a deposit with the City in the amount of the engineering design contract for the design of the Initial Street Improvements. Thereafter, within 30 days of receipt of an invoice (such invoice not to be given earlier than 90 days after completion of the preceding Race Event), VGP agrees to make a deposit in the amount of the engineering design contract for the design of the Annual Street Improvements for the ensuing Racing Event. The City will publicly and competitively bid the construction of the Initial and Annual Street Improvements pursuant to the requirements of applicable state laws and the Code; such bids shall include, but shall not be limited to, a completion bond, progress payments and performance penalties. In addition to the foregoing, the City shall not enter into any final construction contract without the prior consent of VGP.

In the event the construction bids for the Initial Street Improvements exceed by 10% the cost estimate set forth in Exhibit B, VGP may terminate this Agreement for economic hardship without penalty, provided written notice thereof is given to the City prior to the award of the construction contract for the Initial Street Improvements. Notwithstanding the foregoing, the City hereby agrees that, in the event the actual cost of any project hereunder may exceed the amount of the letter of credit, it will take all reasonable steps to limit costs to enforce the price set forth in the applicable bid and/or the applicable construction contract. If the construction bids do not exceed by 10% the estimate set forth in Exhibit B attached hereto, VGP shall provide a letter of credit in a form and with an issuer reasonably acceptable to the City, in the full amount of the estimated construction contract, plus the amount of any contingency fund established by

the City (which fund shall be subject to the reasonable approval of VGP), less the City's \$500,000 contribution prior to the award of any contract for the construction of the Initial Street Improvements, plus the cost of the of the work that is outlined in Section 5.h. The failure to deposit funds for the engineering design contract or provide the letter of credit in the amount of the proposed construction contract shall constitute a material breach of this Agreement. However, in the event VGP determines at any time that the Race Event becomes commercially unfeasible due to the costs of Annual Street Improvements, VGP shall have the right to terminate this Agreement without penalty, but subject to Section 11 hereto.

If, during the course of construction of the Initial Street Improvements in the first year, or the Annual Street Improvement in any year thereafter, the actual construction costs have exhausted the funds deposited with the City for such purpose, VGP agrees to make a supplemental deposit within 15 days after receipt of an invoice from the City setting forth its best estimate of the funds needed to complete the Initial or Annual Street Improvements. For each Race Event after the first year, the City will provide VGP with an annual estimate of the cost to construct Annual Street Improvements within 90 days of completion of the last Race Event. VGP agrees to provide a letter of credit with the City, no later than ten (10) days prior to the award of the work commencing on the Annual Street Improvements. The failure to make such deposit shall constitute a material breach of this Agreement.

9. Operating Costs.

a. City agrees to pay the expenses for the final street sweeping following each Racing Event and the fire and emergency medical related services for all off track safety.

b. VGP shall be solely responsible for all other costs of producing and carrying on the Racing Event within the Circuit Area, including security, police protection, Circuit Materials, Concession Facilities, sanitation services, and costs of repair of the Track during the Racing Event(s). In addition, VGP shall be solely responsible for expenses related to providing Race-related crowd control and traffic management outside of the Circuit Area. Certain of the services enumerated in this Article 9.(b). will be provided by or through the City (as required by the Operations Manual) and VGP will reimburse City for such services where required by this Agreement or the Operations Manual. VGP's expense for City personnel and equipment required by this Agreement or the Operations Manual shall be established in the Operations Manual, with City personnel expense equal to on-duty overtime (one and one-half times (1 1/2) pay with four (4) hour minimum per personnel).

c. The modifications to the City Streets for the first year are included in the Initial Street Improvements budget for the first Race Event set forth in Exhibit B attached hereto. The City's \$500,000 contribution will be used to pay for part of the costs of the Initial Street Improvements.

10. Entry and Inspection. Notwithstanding any other term or condition of this Agreement, City reserves, and shall have the right at all reasonable times and upon reasonable notice, to enter the Track and Circuit Area, for the purpose of viewing and ascertaining the condition of the same, to protect its interest in the Track and Circuit Area, to inspect the operations conducted thereon, or for public safety or event management purposes. In the event

the parties agree that, upon such entry or inspection by City, the Track and Circuit Area are not in a safe or satisfactory condition, City shall have the right to cause VGP to correct any unsafe or unsatisfactory condition created by the VGP or its operation of the Track and Circuit Area; provided that in the event the parties cannot agree that there exists an unsafe or unsatisfactory condition, Sanctioning Body shall make the final determination. City emergency vehicles shall have access at all times to the Circuit Area for the purpose of protecting life and property, and shall use best efforts to coordinate such access with VGP.

11. Indemnification. VGP (the "Indemnifying Party") shall defend, release, indemnify, and hold harmless the City, its officers, employees and agents (the "Indemnified Party"), and each of them against any and all damage to property or injury to or death of any person or persons, and shall defend, release, indemnify, and save and hold harmless the Indemnified Party, and each of them, from any and all Losses alleged or asserted by anyone whomsoever, which in any way results from or arises out of the activities or performance in connection with this Agreement by the Indemnifying Party, including its acts or omissions or the acts or omissions of its officers, employees, representatives, suppliers, invitees, licensees, subconsultants, subcontractors, and agents; provided, however, that the Indemnifying Party need not defend, release, indemnify and hold harmless the Indemnified Parties, from Losses to the extent caused by the negligence or willful misconduct of the Indemnified Party.

This indemnity clause also shall cover Indemnified Party's reasonable defense costs in the event that the Indemnified Party, in its sole discretion, elects to provide its own defense. If the Indemnified Party elects to control its defense, it shall provide written notice to the Indemnifying Party, in which event such Indemnifying Party shall be relieved of any further obligation to defend Indemnified Party with respect to such claim; provided, however, Indemnified Party shall not settle any claim for which it is entitled to indemnity from the Indemnifying Party without such Indemnifying Party's prior written consent. In the event the Indemnifying Party desires to settle any claim for which it has agreed to indemnify Indemnified Party, and Indemnified Party objects to the same (which objection must be based on the fact that Indemnified Party is required to assume or pay for some of the Losses related thereto) the Indemnifying Party shall not be liable for any costs of settlement in excess of those for which it asked Indemnified Party to settle, and in the event the actual liability of the Indemnified Party is greater than the settlement amount proposed by the Indemnifying Party, for any costs of defense of Indemnified Party after the time of such proposed settlement. Insurance coverage specified herein constitutes the minimum requirements, and such requirements shall in no way lessen or limit the liability of the Indemnifying Party under the terms of this Agreement.

12. Insurance. VGP agrees to secure and deliver to the City's Risk Manager no later than sixty (60) days prior to the commencement of the first Augmented Race Period in 2007, and to keep in force at all times during the remainder of the term of the Agreement, as the same may be extended as herein provided, insurance which conforms to the minimum coverage, specifications and limits set forth in Exhibit D hereto, in a form and with a company reasonably acceptable to and approved by the Risk Manager, covering all operations hereunder, as set out below. The insurance coverage shall be specifically endorsed to cover claims for the denial of access from private property owners resulting from the Race Event.

No later than sixty (60) days prior to the commencement of the first Augmented Race

Period in 2007, VGP shall cause to be completed and fully executed original Certificate of Insurance of the attached hereto as Exhibit D and incorporated herein by reference. The certificate shall specify the minimum insurance requirements of the Agreement VGP must satisfy in order to provide services under this Agreement. The original of such certificate shall be executed before a notary by the authorized party as specified on the certificate.

One original plus five (5) copies of each completed and fully executed certificate shall be provided to City at or before the Effective Date. All documents required hereunder, including each certificate, shall be attached to Exhibit D and incorporated herein by this reference.

VGP covenants and agrees that at all times it will maintain and carry sufficient workers' compensation insurance (including occupational disease hazards) with an authorized insurance company or through an authorized self-insurance plan approved by the State of Nevada. Such insurance shall insure payment for such workers' compensation claims to all of VGP's employees including, without limitation, all of its employees who in any manner perform work or provide services to fulfill VGP's obligations under this Agreement. VGP expressly represents to City, as a material representation upon which City is relying in entering into this Agreement, that none of the VGP's officers or employees who may be eligible under any statute or law to reject workers' compensation insurance shall effect such rejection during any part of the term of this Agreement, and that any such rejections previously effected have been revoked as of the date VGP executes this Agreement. VGP agrees to provide the Risk Manager with certificates, in such number as required, satisfactorily evidencing the existence of the workers' compensation insurance. VGP also agrees to provide to the Risk Manager certified copies of any or all such policies, if requested to do so by the City. VGP shall require any subconsultant, subcontractor or concessionaire to carry similar worker's compensation insurance.

VGP shall obtain a waiver of subrogation in favor of City. Any policies written on a claims made basis must remain in force for at least five (5) years after termination date of the applicable Racing Event through the purchase of an extended reporting period.

The original or a certified copy of the above policy or policies, plus certificates evidencing the existence thereof, all in such form as the Risk Manager may require, shall be delivered to the Risk Manager at least thirty (30) days before work begins. Each such policy or certificate shall contain a valid provision or endorsement stating "should any of the above-described policies be canceled or should coverage be reduced before the expiration date thereof, the issuing company will mail forty-five (45) days' written notice (ten (10) days' written notice in the event of non-payment of premium) to the Risk Manager, sent by certified mail, return receipt requested." All insurance carried hereunder must be rated at least A VII by A. M. Best Company.

13. Event Weekend. Each of the Event Weekends for the years 2007 through the termination of this Agreement, or any extension thereof, shall be deemed to be that detailed in the Schedule attached as Exhibit E, for each such year, or such other dates as may be mutually agreed upon by the parties. Each of the Event Weekends for the years 2008 and beyond shall be per the schedule in Exhibit E or as established by agreement of both parties. Any other events that VGP would plan to stage to promote any Racing Event would be the sole responsibility and expense of VGP. Any other events besides the Racing Event will require additional permits

and/or licenses for those events, i.e. concerts. Any other event held on Private Property (such as a concert within the Fremont Street Pedestrian Mall) will be the sole responsibility and expense of VGP to lease the use of that property.

14. Conditions Precedent to Effectiveness of Agreement. This Agreement shall not be or become effective until the following conditions have been satisfied:

- a. The City Council approves the execution of this Agreement;
- b. An authorized representative of the City has signed this Agreement;
- c. VGP has signed this Agreement;
- d. VGP has executed an agreement with Sanctioning Body that is consistent with the terms and conditions of this Agreement.
- e. The City Council has adopted an ordinance which permits the closing of the City Streets for racing events.
- f. VGP has obtained written approval from City Parkway. for any access, use, or lease of Union Park or any portion of Union Park, for the uses contemplated by VGP under this Agreement; and
- g. VGP has obtained written approval from all Private Property owners who own land that is required to stage and carry out the Racing Event herein described.

15. Intellectual Property Rights. City may not use the Intellectual Property owned by or licensed to VGP or its affiliates without the prior written approval of VGP, which may be given or withheld in VGP's sole discretion. In the event that VGP grants City any rights to use any Intellectual Property, City shall strictly comply with any such authorization. City acknowledges and agrees that it shall obtain no ownership rights or goodwill whatsoever related to the Intellectual Property, including with respect to any Intellectual Property used in connection with any trade names, trademarks or other intellectual property of City, and shall assign to VGP and execute, at VGP's request, all such documents necessary to evidence that all rights to the Intellectual Property (including with respect to any used in connection with any trade names, trademarks or other intellectual property of City) belong to, and are owned exclusively by, VGP. In the event City breaches any covenant contained in this Section 15, then, VGP shall be allowed to seek injunctive relief as its sole remedy.

16. Remedies for Breach. It is understood that the parties shall have the following remedies and rights under this Agreement:

- a. In the event that:
 - (i) VGP breaches or defaults in the performance or fulfillment of any material term, covenant or condition herein, other than its obligations pursuant to Section 6, contained on its part to be performed or fulfilled and shall fail to cure such breach or default

within thirty (30) days following written notification from City to the designated local representative of VGP (or, if VGP is diligently pursuing a cure, such greater time as allowed by City in its sole discretion) specifying the breach or default or defaults complained of and the date on which its rights hereunder will be terminated;

- (ii) a petition in bankruptcy is filed by or against VGP;
- (iii) a receiver, trustee in bankruptcy or similar officer is appointed to take charge of VGP or its property;
- (iv) VGP shall make a general assignment for the benefit of creditors;
or
- (v) VGP or any of its officers, are convicted, plead nolo contendere, enter into a formal agreement in which they admit guilt, enter a plea of guilty, or otherwise admit culpability to criminal offenses of bribery, kickbacks, collusive bidding, bid-rigging, antitrust, fraud, undue influence, theft, racketeering, extortion or any offense of a similar nature, in connection with VGP's business;

then the City may, at its sole option, upon written notice to VGP as provided in Section 20, terminate this Agreement, except for the provisions of Section 11 which shall survive such termination.

b. Any election on the part of City to terminate this Agreement must be in writing, properly executed by City and served upon VGP. No termination of this Agreement on account of default by VGP shall be or become effective by operation of law or otherwise, unless and until City shall have given such notice to VGP.

c. VGP may terminate this Agreement upon the material breach or default in the performance or fulfillment of any material term, covenant or condition herein by the City, provided VGP shall have given notice in writing to the City, specifying the default and City shall have failed to cure the default so specified within thirty (30) days following said written notice (or, if City is diligently pursuing a cure, such greater time as is allowed by VGP in its sole discretion).

d. Notwithstanding any other termination provisions herein, City may, in its sole discretion, terminate this Agreement on or before October 1, 2006 in the event VGP has failed to satisfy any of the requirements of Section 6.

e. The exclusive rights to occupy City Streets granted to VGP under Section 4 of this Agreement are coterminous with this Agreement and will not be revoked unless in accordance with this Section.

f. Notwithstanding anything in this Agreement to the contrary, the parties reserve the right to seek specific performance of this Agreement and either party hereto shall have the right to enjoin any anticipatory repudiation of this Agreement by the other.

17. Right to Terminate for Reasons other than Breach. In addition to the right to terminate as set forth in Section 16, and notwithstanding that VGP is in compliance with all of the requirements of this Agreement, the City shall have the right to terminate this Agreement without penalty (except as hereinafter provided) if the Racing Event causes such occurrences as, but is not limited to, undue public endangerment, loss of Private Property, loss of life, claims for the denial of access to Private Property, excessive damage to public right of way and undue economic hardship on local businesses. If, after completion of the Initial Street Improvements, and for years 2 through 4 of this Agreement only, the City exercises the right of termination as provided herein, the City agrees to pay Termination Costs to VGP. In addition to the rights of VGP to terminate this Agreement for the reasons set forth herein, in the event the Race Event becomes commercially unfeasible due to the loss of a television contract, loss of, or inability to gain access to, necessary Private Property, loss or inability to obtain any necessary permits or schedule any events or the loss of a Sanctioning Body for the Race Event, VGP shall have the right to terminate this Agreement without penalty, but subject to Section 11 hereto and payment of the cost, if any, to restore the City Streets.

18. When Rights and Remedies Not Waived. In no event shall any performance by either party hereunder constitute or be construed to be a waiver by such party of any breach of term, covenant, or condition or any default which may then exist on the part of the other party, and the rendering of such performance when any such breach or default shall exist shall not impair or prejudice any right or remedy available to the non-breaching party with respect to such breach or default; and no assent, expressed or implied, to any breach of any one or more terms, covenants, or conditions of the Agreement shall be construed as a waiver of any succeeding or other breach.

19. Assignment and Subcontracting. The City is not obligated or liable under this Agreement to any party other than VGP. VGP understands and agrees that it shall not assign or wholly subcontract with respect to any of its material rights, benefits, obligations or duties as owner, organizer and promoter of the Vegas Grand Prix under this Agreement except upon prior written consent and approval of the City, which consent or approval may be withheld in the absolute discretion of the City. In the event the City consents to an assignment or subcontract, such action shall not be construed to create any contractual relationship between the City and the assignee or subcontractor, and VGP shall remain fully responsible to City according to the terms of this Agreement. This Agreement and the parties anticipate that VGP may perform certain of its obligations hereunder, such as the Street Repairs and construction of Concessions through a duly licensed subcontractor(s).

20. Notices. All notices, demands or other communications required or permitted to be given under this Agreement shall be in writing and any and all such items shall be deemed to have been duly delivered upon personal delivery; or as of the third business day after mailing by United States mail, certified, return receipt requested, postage prepaid, addressed as follows; or as of 12:00 Noon, local time of the recipient, on the immediately following business day after deposit with Federal Express or a similar overnight courier service that provides evidence of receipt, addressed as follows:

If to City, to: Douglas A. Selby, City Manager
City of Las Vegas

400 Stewart Ave
Las Vegas, Nevada, 89101

Fax – (702) 388-1807

With a copy to: Bradford R. Jerbic, City Attorney
City of Las Vegas
400 Stewart Ave
Las Vegas, Nevada, 89101

Fax – (702) 386-1749

If to VGP, to: Vegas Grand Prix, LLC
4021 E. Lamar Road
Paradise Valley, AZ. 85253
Attention: Bradley Yonover

Fax- (602) 391-2397

With a copy to: Snell & Wilmer, LLP
One Arizona Center
Phoenix, Az. 85004
Attention: Steven D. Pidgeon, Esq.
Fax- (602) 382-6070

21. Construction of this Agreement.

a. Governing Law. Each and every term, condition, or covenant herein is subject to and shall be construed in accordance with the provisions of Nevada law and any applicable federal law.

b. Paragraph Headings. The captions and headings set forth herein are for convenience of reference only, and shall not be construed so as to define or limit the terms and provisions hereof.

c. Time. The parties agree that in the performance of the terms, conditions and requirements of this Agreement, time is of the essence.

d. Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of VGP as are permitted to succeed to VGP's rights upon and subject to the terms hereof.

e. Singular and Plural. Whenever the context shall so require, the singular shall include the plural and the plural shall include the singular.

f. Reasonableness of Consent or Approval. Unless otherwise specifically provided to the contrary, all decisions, approvals or consents shall be made in the reasonable discretion of the party making the same. Further, unless a specific time frame is provided herein, any approval or consent shall not be unreasonably withheld or delayed. Whenever under this

Agreement “reasonableness” is the standard for the granting or denial of the consent or approval of either party hereto, such party shall be entitled to consider public and governmental policy, moral and ethical standards, as well as business and economic considerations.

g. Severability. It is understood and agreed by the parties hereto that if any part, term, or provision of this Agreement is by the courts held (pursuant to a final non-appealable judgment) to be illegal or in conflict with any law of the State of Nevada, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.

h. Survival of Certain Agreement Provisions. The parties understand and agree that all terms, conditions and covenants of this Agreement, together with the exhibits and attachments hereto, if any, any or all of which, by reasonable implication, contemplate continued performance or compliance beyond the expiration or termination of this Agreement (by expiration of the term or otherwise), shall survive such expiration or termination and shall continue to be enforceable as provided herein.

22. Status of VGP. It is understood and agreed by and between the parties that the status of VGP shall be that of an independent contractor and it is not intended, nor shall it be construed, that VGP or any employee or subcontractor is a joint venturer, or an employee, officer, or agent of the City for purposes of unemployment compensation, workers’ compensation, or for any purpose whatsoever.

23. Legal Authority.

a. Each party assures and guarantees the other that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into this Agreement.

b. The person or persons signing and executing this Agreement on behalf of each party do hereby warrant and guarantee that he/she or they have been fully authorized by the related party to execute this Agreement on behalf of such party and to validly and legally bind such party to all the terms, performances and provisions herein set forth.

c. Each party shall have the right, at its option, to either temporarily suspend or permanently terminate this Agreement, if there is a dispute as to the legal authority of the other party or the person signing the Agreement to enter into this Agreement.

24. Use, Possession Or Sale Of Alcohol or Drugs. VGP, its officers, agents, and employees shall cooperate and comply with the Code concerning the use, possession or sale of alcohol or drugs. Violation of these provisions or refusal to cooperate with implementation of the policy can result in the City’s barring VGP from City facilities or participating in City operations.

25. City Financial Obligations. It is understood and agreed that any payment or performance obligation of the City hereunder, whether direct or contingent, shall extend only to funds appropriated by the: Las Vegas City Council for the purpose of this Agreement in each

year in which the Agreement is in effect, encumbered for the purpose of the Agreement and paid into the Treasury of the City. VGP acknowledges that (i) the City does not by this Agreement irrevocably pledge present cash reserves for payments in future fiscal years, and (ii) this Agreement is not intended to create a multiple-fiscal year direct or indirect financial obligation of the City.

26. No Third Party Beneficiary. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to City and VGP, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other or third person, including, but not limited to, subcontractors, subconsultants, and suppliers set forth herein. It is the express intention of City and VGP that any person or entity other than City or LVGP receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only, and not a third party beneficiary.

27. Conflict of Interest. The parties agree that no official, officer or employee of City shall have any personal or beneficial interest whatsoever in the services or property described herein and VGP further agrees not to knowingly hire or contract for services any official, officer or employee of City or any other person which would be in violation of the Las Vegas Municipal Code, Las Vegas City Charter or Nevada Revised Statutes.

28. Parties' Obligations with Respect to Confidential Information. The parties agree that issues governing the use and disclosure of Confidential Information, as defined below, provided to or made available to the City by VGP will be governed by the following provisions:

a. Definition of Confidential Information. As used in this Agreement, the term "Confidential Information" means all information, of any nature and in any form, regardless of when given, that (i) is disclosed or provided by or through VGP to the City pursuant to performance of this Agreement, including but not limited to documents referenced in subsection (e) hereof; and (ii) has been clearly marked or indicated in writing as being confidential by VGP. Information falling within this definition shall be treated by the City as confidential proprietary information of VGP pursuant to the provisions of the NRS Chapter 239 (Public Records Act) and under any rule of court. Information not so marked or indicated will not be considered to be Confidential Information.

b. Use of Confidential Information. Except as expressly provided in this Agreement or as otherwise mandated by the Nevada Public Records Act, or other applicable law, the City will not disclose Confidential Information to anyone without the prior written consent of VGP. The City will not use, or permit others to use, Confidential Information for any purpose other than actions incidental to the performance and enforcement of this Agreement between the City and VGP, including but not limited to auditing of records of VGP by the City Auditor and/or other representatives of the City. The City will take all reasonable measures to avoid disclosure, dissemination or unauthorized use of Confidential Information, including, at a minimum, those measures that it takes to protect its own Confidential Information of a similar nature.

c. Open Records Requests. The parties recognize that the mere marking of a document as "Confidential" does not render it conclusively confidential under the Public Records Act. In the event that the City is served with a request or subpoena from any third party requesting all or part of any Confidential Information as defined herein, the City shall give timely notice to VGP of the request or subpoena within the time parameters of the Public Records Act or of any applicable court rule. Upon receipt of the notice from the City, VGP may, at its option, immediately seek judicial relief (including, without limitation the issuance of a temporary restraining order) preventing the disclosure of the Confidential Information from disclosure rule and shall defend, save and hold harmless and indemnify the City and its agents and employees with respect to such issues. The failure to seek such judicial relief within 10 days of notice from the City shall entitle the City to disclose the Confidential Information to the person seeking the disclosure.

d. Disclosure Prohibited. Neither party shall, at any time or in any manner, either directly or intentionally by indirect means, divulge, disclose or communicate to any person, firm or corporation in any manner whatsoever any information concerning any matters which are not subject to public disclosure including, without limitation, the trade secrets of businesses or entities doing business with either party and other privileged or confidential information.

e. Review of Documents. VGP covenants that City shall have the right to review its agreement with Sanctioning Body, its agreements with its subcontractors, vendors and assigns, and its agreements with Private Property holders, in its offices in the City of Las Vegas. Notwithstanding anything in this Agreement to the contrary, the City shall not copy or retain a copy of the agreements, and any review thereof by City shall be subject to the confidentiality standards of this Section 28. The review shall be conducted only by City employees who have a "need to know" in connection with the provisions of this Agreement.

29. Examination of Records. VGP agrees to maintain financial records pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain all records and supporting documentation applicable to this Agreement for a period of three (3) years after completion of this Agreement and any subsequent extensions thereof. All records subject to audit findings shall be retained for three (3) years after such findings have been resolved. In the event VGP goes out of existence, VGP shall turn over to the City all of its agreements and documents related thereto which relate to this Agreement to be retained by the City for the required period of time. VGP shall also provide to the City a post event report that shows attendance numbers, downtown room occupancy, estimated economic impact, media distribution and viewership, police and emergency response actions, and other items that will help City determine the success of the race for the downtown and the Las Vegas metro area. VGP shall deliver to the City a preliminary draft summary report concerning each Event Weekend within sixty (60) days of the Racing Event and a final report with the economic impact of the event within one hundred and twenty (120) day of the race event.

VGP agrees that any duly authorized representative of City, including the City Auditor or his representative, during the term of this Agreement and for three (3) years after the termination of this Agreement, shall, during reasonable business hours, have access to and the right to examine any directly pertinent books, documents, papers and records of VGP, involving

transactions related to this Agreement. VGP agrees to make such items available within the City. The City shall request to examine the records via written notice. Within fifteen (15) days of receiving the written notice to examine the records, VGP staff or legal counsel shall schedule a time during reasonable business hours for the records to be examined by the City Auditor or his representative in Las Vegas City Hall.

30. No Discrimination in Employment. In connection with the performance of work under this Agreement, VGP agrees not to refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability; and VGP further agrees to insert the foregoing in all subcontracts hereunder.

31. Taxes, Permits and Licenses. VGP agrees to pay promptly all taxes, excises, license fees and permit fees of whatever nature applicable to its operations, and to take out and keep current all required licenses, municipal, state or federal, required for the conduct of its business hereunder, and further agrees not to permit any of such taxes, excises or license or permit fees to become delinquent. VGP further agrees to furnish City, upon request, duplicate receipts or other satisfactory evidence showing the prompt payment by VGP of all required licenses and permits and all taxes. VGP further agrees to pay promptly when due all bills, debts and obligations incurred by it in connection with its operations, and not to permit the same to become delinquent in any material respect and to suffer no lien, mortgage, judgment or execution to be filed which will in any way impair the rights of City under this Agreement.

32. Taxes, Charges and Penalties. City shall not pay or be liable for any claimed interest, late charges, fees, taxes or penalties of any nature, except as required by City's Revised Municipal Code.

33. Disputes. In the event of a dispute hereunder, the parties shall attempt to amicably resolve the matter through escalating levels of management. In the event the parties are not able to resolve the dispute, either party may submit the dispute for arbitration administered by the American Arbitration Association under its then current Commercial Arbitration Rules, Expedited Procedures, regardless of the amount of the claim. The venue for such arbitration shall be in the City.

34. Force Majeure. The rights and obligations of the parties to this Agreement shall be subject to delays or cancellations caused by strikes, fire, accident, adverse weather, acts of God, or orders of any military, civil or governmental authority beyond the control of the best efforts of the parties, and should such event or events occur from time to time the rights or obligations of the parties affected thereby, if any, shall be continued for a period equal to the period resulting from such delay, or suspended or excused pro rata. Notwithstanding the foregoing, in the event any of a delay as a result of one or more of the foregoing events which continues for sixty (60) days, VGP shall have the right to terminate this Agreement without penalty, but subject to Section 11 hereto.

35. Agreement as Complete Integration – Amendments. This Agreement is intended as the complete integration of all understandings between the parties pertaining to the subject

matter of this Agreement. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or effect whatsoever, unless embodied herein in writing. No subsequent novation, renewal, addition, deletion, or other amendment hereto shall have any force or effect unless embodied in a written amendment or other Agreement properly executed by the parties. This Agreement and any amendments shall be binding upon the parties, their successors and assigns.

36. Disclosures. Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, VGP warrants that it has disclosed all principals, including partners of VGP, as well as all persons and entities holding more than 1% interest in VGP or any principal of VGP. Throughout the term hereof, VGP shall notify City in writing of any material change in the above disclosure within 15 days of any such change.

37. Counterparts of this Agreement. This Agreement shall be executed in any number of counterparts, each of which shall be deemed to be an original of this Agreement.

Remainder of page intentionally left blank

IN WITNESS WHEREOF, this Agreement is executed by City and by VGP, and both have caused this Agreement to be executed as of the day and year first above written.

CITY OF LAS VEGAS

By _____
OSCAR B. GOODMAN, Mayor Date _____

“City”

ATTEST:

BARBARA JO RONEMUS, Clerk

APPROVED AS TO FORM:

Robert S. Sylvain 7-11-06
Deputy City Attorney Date

Vegas Grand Prix, LLC. d/b/a Vegas Grand Prix
Taxpayer (IRS) Identification

No. _____

By: _____

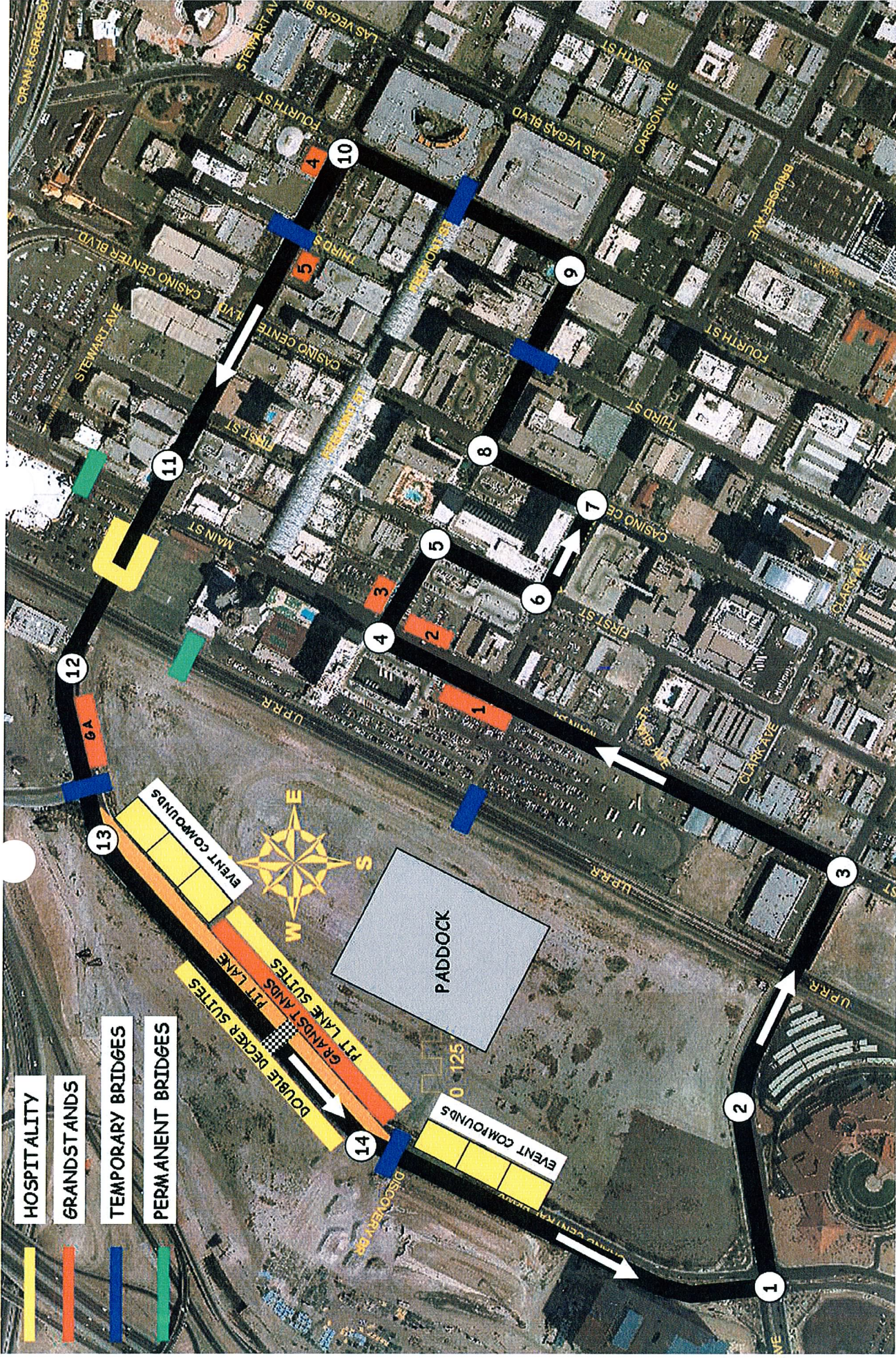
Title: _____

“VGP” Date _____

“Developer”

EXHIBIT A

MAP OF CIRCUIT AREA AND RACE CIRCUIT



LAS VEGAS GRAND PRIX

Track Length = 2.44 miles

Track Direction = Counterclockwise

Number of Turns = 14

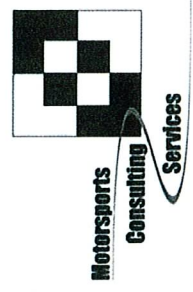


EXHIBIT B

ESTIMATED COSTS FOR THE FIRST YEAR IMPROVEMENTS TO CIRCUIT AREA

**ESTIMATE OF PROBABLE COSTS for
LAS VEGAS GRAND PRIX RACE COURSE ROAD IMPROVEMENTS IN DOWNTOWN AREA**

FIRST YEAR CONSTRUCTION COST

DATE CALCULATED: 5/23/2006

Item	Description	Quantity	Unit	Unit Price	Total Cost
200.00.01	Mobilization & Demobilization	1	LS	\$ 25,000.00	\$ 25,000
202.00.01	Clear & Grade Areas & Medians	13,000	SY	\$ 0.75	\$ 9,750
202.00.03	Remove Concrete Medians	1,700	SY	\$ 20.00	\$ 34,000
202.00.04	Remove Valley Gutter	700	SF	\$ 8.00	\$ 5,600
202.00.05	Remove Existing Asphalt Pavement	1,500	SY	\$ 8.00	\$ 12,000
202.00.06	Remove Raised Pavement Markers	1	LS	\$ 5,000.00	\$ 5,000
202.00.07	Rotomilling (2") (at intersections)	6,500	SY	\$ 10.00	\$ 65,000
203.00.01	Roadway Excavation (14" depth), Compaction	5,300	CY	\$ 10.00	\$ 53,000
203.00.02	Berm Excavation / Haul & Dispose	900	CY	\$ 5.00	\$ 4,500
218.00.01	Bonneville Underpass Dewatering System Mods	1	LS	\$ 50,000.00	\$ 50,000
302.00.01	Type II Aggregate Base (10" depth)	14,200	CY	\$ 32.00	\$ 454,400
402.00.01	2" Asphalt w/ Polymers (at intersections)	6,500	SY	\$ 14.00	\$ 91,000
402.00.02	4" Plantmix Bituminous Surface w/ Polymers	16,000	SY	\$ 24.00	\$ 384,000
609.00.01	R & R MH concrete collars	60	EA	\$ 800.00	\$ 48,000
613.00.01	"A" Type Curb	400	LF	\$ 14.00	\$ 5,600
622.00.01	Construction Survey/Grade Control	1	LS	\$ 10,000.00	\$ 10,000
624.00.01	Traffic Control & Maintenance	1	LS	\$ 30,000.00	\$ 30,000
628.00.01	White Painted Pavement Markings (4-inch)	25,000	LF	\$ 0.25	\$ 6,250
628.00.02	Yellow Painted Pavement Markings (4-inch)	32,000	LF	\$ 0.25	\$ 8,000
629.00.02	R & R Water Valve Box Covers w/ Locking Covers	9	EA	\$ 750.00	\$ 6,750
637.00.01	Dust Control	1	LS	\$ 5,000.00	\$ 5,000
637.00.01	NPDES Permit	1	LS	\$ 3,000.00	\$ 3,000
Subtotal					\$ 1,315,850
Contingency @ 20%					\$ 263,170
Grand Total					\$ 1,579,020

Engineering Design @ 5%	1	LS	\$ 129,927
Construction Management @ 4%	1	LS	\$ 63,161
Project Administration @ 6%	1	LS	\$ 94,741
Total Project Cost For First Year - 2007			\$ 1,866,849

ESTIMATE OF PROBABLE COSTS for LAS VEGAS GRAND PRIX RACE COURSE ROAD IMPROVEMENTS IN DOWNTOWN AREA

SECOND YEAR CONSTRUCTION COST

Item	Description	Quantity	Unit	Unit Price	Total Cost
200.00.01	Mobilization & Demobilization	1	LS	\$ 20,000.00	\$ 20,000
202.00.05	Remove Existing Asphalt Pavement	6,500	SY	\$ 8.00	\$ 52,000
203.00.01	Roadway Excavation (14" depth), Compaction	2,500	CY	\$ 10.00	\$ 25,000
203.00.03	Reinforced Concrete Pavement (6" depth)	6,500	SY	\$ 100.00	\$ 650,000
302.00.01	Type II Aggregate Base (10" depth)	1,800	CY	\$ 32.00	\$ 57,600
622.00.01	Construction Survey/Grade Control	1	LS	\$ 10,000.00	\$ 10,000
624.00.01	Traffic Control & Maintenance	1	LS	\$ 30,000.00	\$ 30,000
637.00.01	Dust Control	1	LS	\$ 5,000.00	\$ 5,000
				Subtotal	\$ 849,600
				Contingency @ 20%	\$ 169,920
				Grand Total	\$ 1,019,520

Construction Management @ 4% 1 LS \$ 40,781
Project Administration @ 6% 1 LS \$ 61,171

Project Cost For Second Year - 2008 \$ 1,121,472

Total Project Cost For First and Second Years \$ 2,988,321

Estimated Second Year Reoccurring Costs

Annual relocation of BRT bus stop	\$ 20,000.00
Remove and Replace Medians on Grand Central Parkway (3,000 sy)	\$ 360,000.00
Annual maintenance of asphalt, concrete manhole collars, etc	\$ 80,000.00
TOTAL	\$ 460,000.00

PROJECTED ANNUAL COSTS	
2008	\$ 480,000.00
2009	\$ 508,800.00
2010	\$ 539,328.00
2011	\$ 571,687.68

TOTAL \$ 2,099,815.68

PRESENT WORTH \$ 1,569,104.43

NOTES & ASSUMPTIONS:

1. Unit prices from Alexander/Hualapai Project were used as a basis for estimate.
2. Assumptions:
 - a. State will issue temporary permit for Bonneville dewatering system mods (contaminated water disposal required).
 - b. Stamped concrete surface at Turn 1 assumed adequate with no resurfacing required.
 - c. No intersection drainage improvements included.
 - d. Traffic control costs during the race have not been included.
 - e. Fencing, grandstands, barrier walls, debris fence and pedestrian overpasses provided by race organizers.
 - f. Damaged liquid pavement marking assumed to be replaced by CHAMP Car Association.
 - g. CHAMP Car Association to provide traffic barriers and associated traffic control.
 - h. CHAMP Car Association to weld manhole covers & remove weld after race.
 - i. Additional Metro Police protection & trash pickup not included.
 - j. Portable restrooms not included.
 - k. Projected costs and present value calculated based on 6% annual inflation.
 - l. Concrete at all intersections of course turns replaced in all four quadrants (2nd Year)

EXHIBIT C

ESTIMATED EXPENSE FOR STREET REPAIRS
(SOURCE: DEPARTMENT OF PUBLIC WORKS)

ESTIMATE OF PROBABLE COSTS for LAS VEGAS GRAND PRIX RACE COURSE ROAD IMPROVEMENTS IN DOWNTOWN AREA

SECOND YEAR CONSTRUCTION COST

Item	Description	Quantity	Unit	Unit Price	Total Cost
200.00.01	Mobilization & Demobilization	1	LS	\$ 20,000.00	\$ 20,000
202.00.05	Remove Existing Asphalt Pavement	6,500	SY	\$ 8.00	\$ 52,000
203.00.01	Roadway Excavation (14" depth), Compaction	2,500	CY	\$ 10.00	\$ 25,000
203.00.03	Reinforced Concrete Pavement (6" depth)	6,500	SY	\$ 100.00	\$ 650,000
302.00.01	Type II Aggregate Base (10" depth)	1,800	CY	\$ 32.00	\$ 57,600
622.00.01	Construction Survey/Grade Control	1	LS	\$ 10,000.00	\$ 10,000
624.00.01	Traffic Control & Maintenance	1	LS	\$ 30,000.00	\$ 30,000
637.00.01	Dust Control	1	LS	\$ 5,000.00	\$ 5,000
Subtotal					\$ 849,600
Contingency @ 20%					\$ 169,920
Grand Total					\$ 1,019,520

Construction Management @ 4%	1	LS	\$ 40,781
Project Administration @ 6%	1	LS	\$ 61,171
Project Cost For Second Year - 2008			\$ 1,121,472

Total Project Cost For First and Second Years \$ 2,988,321

Estimated Second Year Reoccurring Costs

Annual relocation of BRT bus stop	\$ 20,000.00
Remove and Replace Medians on Grand Central Parkway (3,000 sy)	\$ 360,000.00
Annual maintenance of asphalt, concrete manhole collars, etc	\$ 80,000.00
TOTAL	\$ 460,000.00

PROJECTED ANNUAL COSTS	
2008	\$ 480,000.00
2009	\$ 508,800.00
2010	\$ 539,328.00
2011	\$ 571,687.68

TOTAL \$ 2,099,815.68
PRESENT WORTH \$ 1,569,104.43

NOTES & ASSUMPTIONS:

1. Unit prices from Alexander/Hualapai Project were used as a basis for estimate.
2. Assumptions:
 - a. State will issue temporary permit for Bonneville dewatering system mods (contaminated water disposal required).
 - b. Stamped concrete surface at Turn 1 assumed adequate with no resurfacing required.
 - c. No intersection drainage improvements included.
 - d. Traffic control costs during the race have not been included.
 - e. Fencing, grandstands, barrier walls, debris fence and pedestrian overpasses provided by race organizers.
 - f. Damaged liquid pavement marking assumed to be replaced by CHAMP Car Association.
 - g. CHAMP Car Association to provide traffic barriers and associated traffic control.
 - h. CHAMP Car Association to weld manhole covers & remove weld after race.
 - i. Additional Metro Police protection & trash pickup not included.
 - j. Portable restrooms not included.
 - k. Projected costs and present value calculated based on 6% annual inflation.
 - l. Concrete at all intersections of course turns replaced in all four quadrants (2nd Year)

ESTIMATE OF PROBABLE COSTS for LAS VEGAS GRAND PRIX RACE COURSE ROAD IMPROVEMENTS IN DOWNTOWN AREA

FIRST YEAR CONSTRUCTION COST

DATE CALCULATED: 5/23/2006

Item	Description	Quantity	Unit	Unit Price	Total Cost
200.00.01	Mobilization & Demobilization	1	LS	\$ 25,000.00	\$ 25,000
202.00.01	Clear & Grade Areas & Medians	13,000	SY	\$ 0.75	\$ 9,750
202.00.03	Remove Concrete Medians	1,700	SY	\$ 20.00	\$ 34,000
202.00.04	Remove Valley Gutter	700	SF	\$ 8.00	\$ 5,600
202.00.05	Remove Existing Asphalt Pavement	1,500	SY	\$ 8.00	\$ 12,000
202.00.06	Remove Raised Pavement Markers	1	LS	\$ 5,000.00	\$ 5,000
202.00.07	Rotomilling (2") (at intersections)	6,500	SY	\$ 10.00	\$ 65,000
203.00.01	Roadway Excavation (14" depth), Compaction	5,300	CY	\$ 10.00	\$ 53,000
203.00.02	Berm Excavation / Haul & Dispose	900	CY	\$ 5.00	\$ 4,500
218.00.01	Bonneville Underpass Dewatering System Mods	1	LS	\$ 50,000.00	\$ 50,000
302.00.01	Type II Aggregate Base (10" depth)	14,200	CY	\$ 32.00	\$ 454,400
402.00.01	2" Asphalt w/ Polymers (at intersections)	6,500	SY	\$ 14.00	\$ 91,000
402.00.02	4" Plantmix Bituminous Surface w/ Polymers	16,000	SY	\$ 24.00	\$ 384,000
609.00.01	R & R MH concrete collars	60	EA	\$ 800.00	\$ 48,000
613.00.01	"A" Type Curb	400	LF	\$ 14.00	\$ 5,600
622.00.01	Construction Survey/Grade Control	1	LS	\$ 10,000.00	\$ 10,000
624.00.01	Traffic Control & Maintenance	1	LS	\$ 30,000.00	\$ 30,000
628.00.01	White Painted Pavement Markings (4-inch)	25,000	LF	\$ 0.25	\$ 6,250
628.00.02	Yellow Painted Pavement Markings (4-inch)	32,000	LF	\$ 0.25	\$ 8,000
629.00.02	R & R Water Valve Box Covers w/ Locking Covers	9	EA	\$ 750.00	\$ 6,750
637.00.01	Dust Control	1	LS	\$ 5,000.00	\$ 5,000
637.00.01	NPDES Permit	1	LS	\$ 3,000.00	\$ 3,000
Subtotal					\$ 1,315,850
Contingency @ 20%					\$ 263,170
Grand Total					\$ 1,579,020

Engineering Design @ 5%	1	LS	\$ 129,927
Construction Management @ 4%	1	LS	\$ 63,161
Project Administration @ 6%	1	LS	\$ 94,741
Total Project Cost For First Year - 2007			\$ 1,866,849

EXHIBIT D
INSURANCE REQUIREMENTS

EXHIBIT D
INSURANCE REQUIREMENTS

The following insurance coverage will be required:

1. Nevada Workers' Compensation and Employer Liability

Limits:

Workers' Compensation:	Statutory
Employers' Liability: Each Accident:	\$1,000,000
Each employee for disease:	\$1,000,000
Stop Gap:	\$1,000,000

Any policy under this section must contain, include or provide the following:

- All States Coverage or Nevada listed as a covered state for the workers' compensation
- Waiver of Subrogation and Rights of Recovery against the City of Las Vegas, its officers, officials and employees

2. Commercial General Liability Coverage

Limits:

Each occurrence:	\$1,000,000
General Aggregate Limit:	\$2,000,000
Products – Completed Operations Aggregate Limit:	\$1,000,000
Personal & Advertising Injury:	\$1,000,000
Fire Damage Legal (any one fire):	\$ 300,000

Any policy under this section must provide coverage at least as broad as that provided by ISO CG 0001 or its equivalent, and must contain, include or provide for the following:

- City of Las Vegas, its officers and employees as additional insureds, per ISO for CG2026 or its equivalent
- Coverage for defense costs of additional insureds outside the limits of insurance, per CG 0001 or equivalent
- Contractual Liability
- Specific endorsement of coverage for claims brought for denial of access to private property as a result of a Race Event
- Waiver of Subrogation and Rights of Recovery, per ISO form CG2404 or equivalent

3. Business Automobile Liability Coverage

Combined Single Limits: \$1,000,000

Any policy issued under this section must provide coverage at least as broad as ISO form CA 0001, and must contain, include or provide for the following:

- Symbol 1, coverage for any auto. If no autos are owned, Symbols 8 & ((Hired and non-owned) auto liability
- If this contract involves the transport of hazardous cargo such as fuel, solvents or other hazardous materials, then Broadened Pollution Endorsement, per ISO for CA 9948 or equivalent and MCS 90 are required
- City of Las Vegas, its officers and employees as additional insureds
- Waiver of Subrogation and Rights of Recovery against the City of Las Vegas, its officers, officials and employees

4. Umbrella Coverage

Limits: Each occurrence & Aggregate: \$19,000,000

Any policy issued under this section must contain, include or provide for the following:

- City of Las Vegas, its officers, officials and employees as additional insureds
- Coverage in excess of, and at least as broad as, the primary policies listed above
- Waiver of Subrogation and Rights of Recovery against the City of Las Vegas, its officers, officials and employees

5. Additional Conditions and Requirements

- a. All coverage provided herein shall be primary and any insurance maintained by the City of Las Vegas shall be considered excess
- b. The City of Las Vegas shall have the right to verify or confirm, at any time, all coverage, information or representations contained herein, and the insured and its agent shall promptly and fully cooperate in any such audit the City may elect to undertake.
- c. Advice of renewal is required.
- d. All insurance companies issuing policies hereunder must carry at least an A rating from A.M. Best Company, or obtain a written waiver of this requirement from the City's Legal Department.
- e. Compliance with coverage requirement by equivalent herein must be approved in writing by the City's Legal Department prior to contract execution.
- f. No changes, modifications or interlineations on this Certificate of Insurance shall be allowed with the review and prior approval of the City's Legal Department prior to contract execution.

6. Notice of Cancellation

In addition to any other requirements concerning changes, modifications, or notice of cancellation, it is understood and agreed that should any policy issued hereunder be cancelled or non-renewed before the expiration date thereof, the issuing company or its authorized agent, shall provide written notice, by Registered Mail, to City of Las Vegas Insurance Services, Attn.: Manager, 400 Stewart Avenue, Las Vegas, NV, 89101; such notice to be sent forty-five (45) days prior to such cancellation or non-renewal. Ten (10) days Notice of Cancellation is required for cancellation due to non-payment.

EXHIBIT E
SERVICE IMPACTS OF THE GRAND PRIX OF VEGAS ON
REGIONAL TRANSPORTATION COMMISSION TRANSIT SERVICES
YEARS 2007-2011

Service Impacts
of the
Grand Prix of Vegas
on
Regional Transportation Commission
Transit Services
Years 2007-2011

May 19, 2006

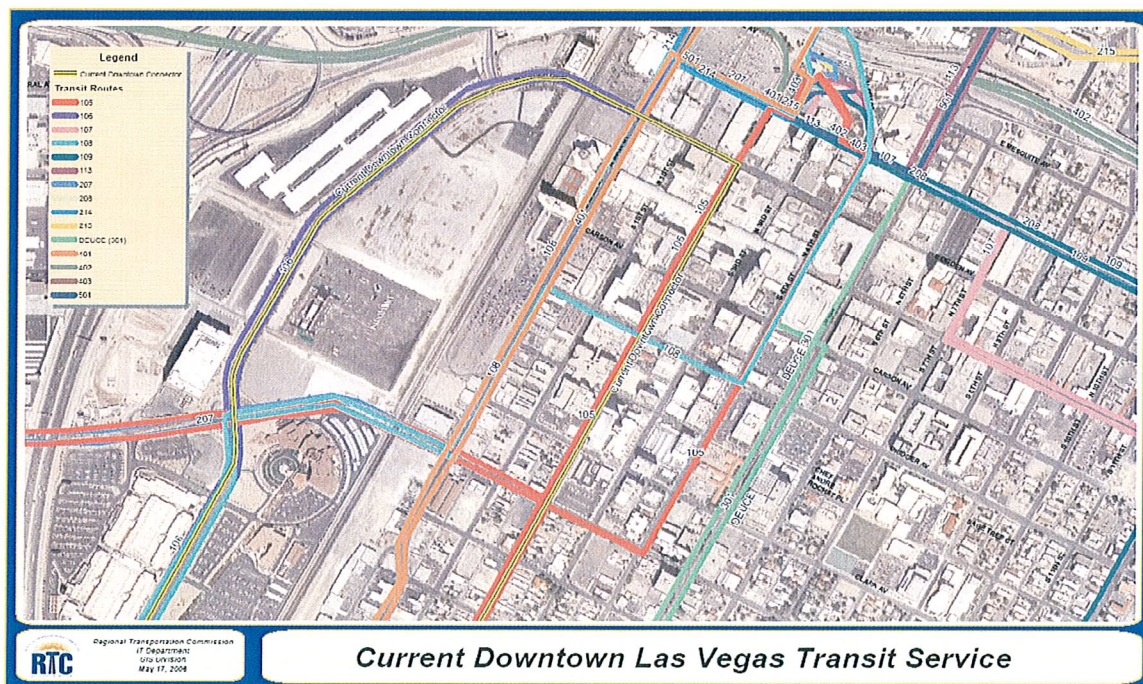
PURPOSE

This report is designed to examine the service impacts of the Grand Prix of Vegas on transit services provided by the Regional Transportation Commission of Southern Nevada under the brands of Citizens Area Transit (CAT), Metropolitan Area Express (MAX), and the Las Vegas Boulevard service known as “The Deuce.”

SUMMARY OF EXISTING SYSTEM

The Regional Transportation Commission (RTC) operates several transit routes in the downtown area. Figure A illustrates this.

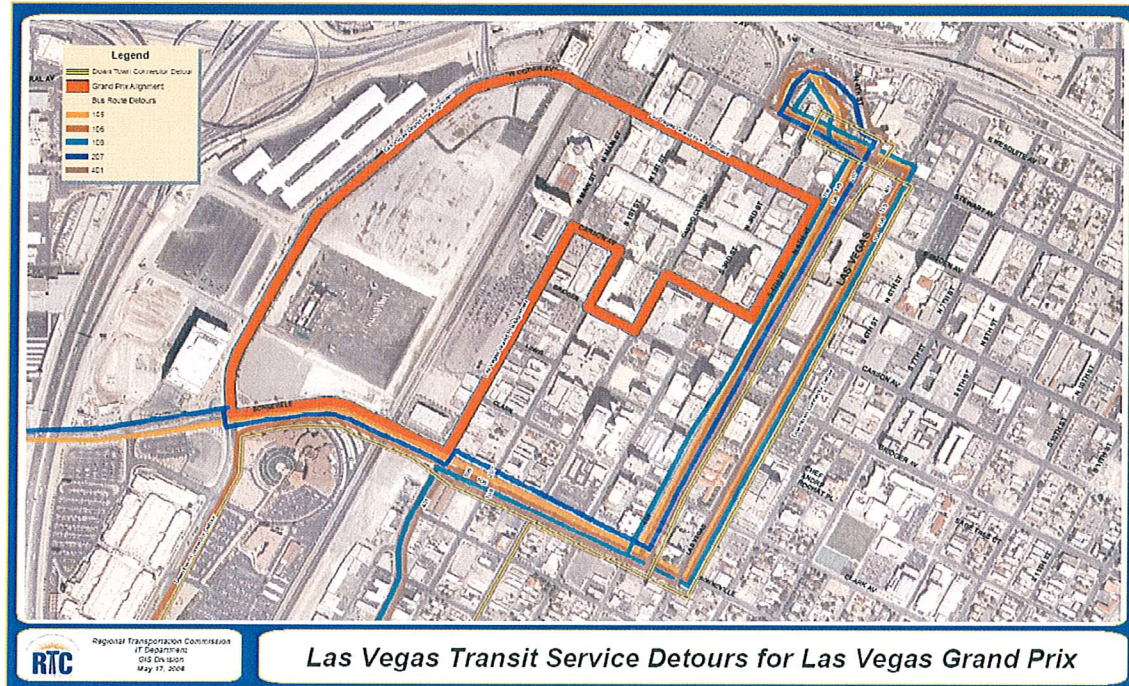
Figure A



TRANSIT DETOURS

Due to the Grand Prix of Vegas’ close proximity to the Downtown Transportation Center (DTC), a large transit hub, several routes will encounter detours for the event. Figure B illustrates this.

Figure B



COST IMPLICATIONS

Overview

The Grand Prix of Vegas event will have several economic effects on Transit Service. Ridership will be both positively and negatively affected, additional service hours and fuel will be required, public information of transit detours must be produced and distributed, and the detours themselves must be planned and managed by RTC and contractor staff.

Revenue Loss

Due to the size of the detours involved, several stops along the five routes listed below will be unserviceable. The average daily projected ridership for the year 2007 and the anticipated percentage of ridership that will be lost due to inaccessibility of stops are illustrated in Figure C.

Figure C

Route	Average Daily Ridership	Percent Ridership Impacted
105	4,000	15
106	3,000	20
108	5,000	20
207	2,000	20
401	300	35

Figure C depicts 2007 total revenue loss of \$10,143.75 for the three-day event, with an average fare of \$1.25 per passenger. By 2011, the loss of revenue escalates to \$52,402.50, with an average fare of \$1.50 per passenger. Figure D illustrates the loss for 2011.

Figure D

Route	Average Daily Ridership	Percent Ridership Impacted
105	6,000	15
106	4,500	20
108	7,000	20
207	3,500	20
401	700	35
MAX -DC	15,000	50

Additional Service Hours

In order to accommodate the additional runtime that will be necessary for detoured routes because of increased route length and vehicular traffic, along with increased concentrated service demand generated by Grand Prix spectators, additional service hours will be necessary on routes operating in the Grand Prix vicinity. In 2007, an estimated additional 243 service hours per day will be necessary. At a cost of \$52.00 per service hour, this is a total of \$37,908.00 for the three-day event.

By 2011, with the Downtown Connector in operation, an additional 343 daily service hours will be necessary. At a cost of \$67.50 per service hour for Fixed Route operations, and a cost of \$86.53 per service hour for Rapid Transit (MAX) operations, this represents a total of \$80,358.30 in additional service hours for the three-day event.

Detour Management

The responsibility of planning and managing Transit detours associated with the Grand Prix of Vegas will represent a cost burden to both the RTC and the RTC's Fixed Route service contractor. Two employees will be dedicated to planning the impact of the Grand Prix on Transit services. Additionally, approximately seven employees will be required to actually manage street detours during the weekend of the event in years 2007 and 2008; this number will increase to ten employees beginning in 2009 with the launch of the Downtown Connector. The total initial cost of detour management will be \$36,000.00 for the first year. This cost will increase by a rate of 4% each year plus the cost of the aforementioned three additional employees that will be required beginning in 2009. By 2011, the total cost of detour management will have risen to \$50,112.00.

Public Awareness

The RTC has a responsibility to its riders to notify them of service disruptions or anticipated detours. Traditionally, this involves the publication of Rider and Operator Alerts. Additionally,

to accommodate spectators of the event, the RTC will need to produce specific informational pamphlets for services of an interest to Grand Prix attendees. One or two graphic artists will be necessary to work on this project. For a disruption of service of this magnitude, the RTC will also need to contact print, radio, and television media outlets to notify customers of the substantial impacts on their commutes. The total cost of this public awareness campaign is estimated at \$35,000 for year 2007, with a 4% increase in costs per year. The total rate is projected to increase by \$15,000 in addition to the 4% yearly increase in 2009 due to the increased profile of service associated with operation of the Downtown Connector.

Fuel

The cost of fuel to operate additional service and additional miles is calculated separately from the cost of service hours. Projections for the costs of fuel are based on a rate of \$2.50 per gallon in 2007, with a 4% annual increase, and on the basis of three miles per gallon of fuel for the average bus. In 2007, the total increased cost for fuel associated with the Grand Prix of Vegas event will be \$21,870.00; this amount will increase to \$37,897.20 by 2011.

CONCLUSION

The fiscal impact on the Regional Transportation Commission caused by the Grand Prix of Vegas is substantial. This impact increases especially significantly in 2009, when the Downtown Connector transit service will be launched. Figure E illustrates the total fiscal impact per year graphically, while Figure F illustrates the impact with specific numerical values.

Figure E

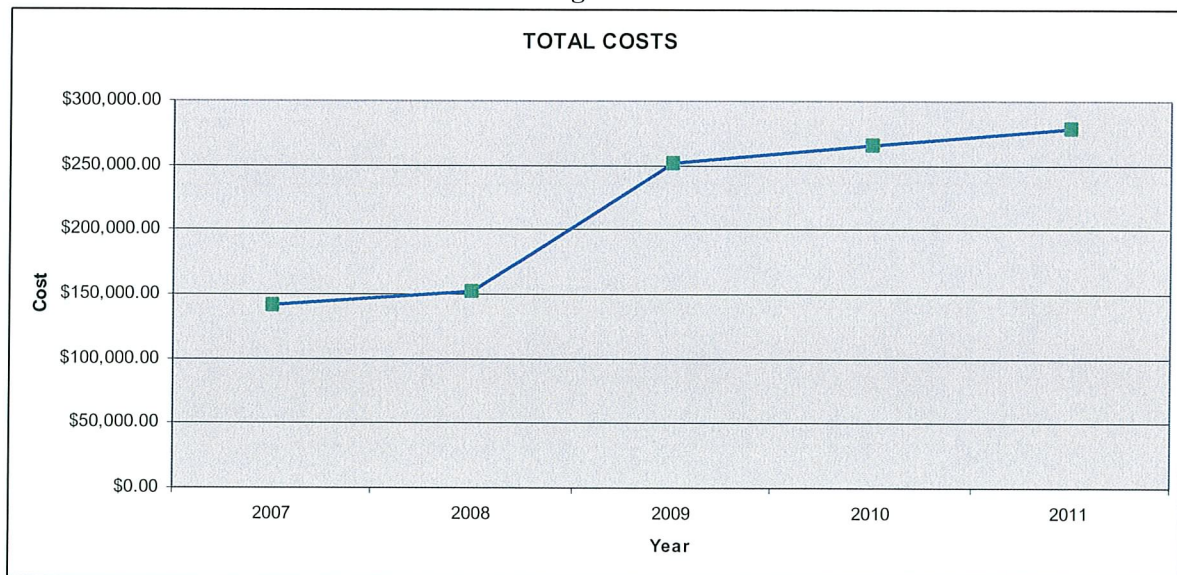


Figure F

TOTAL COSTS	
2007	\$140,921.75
2008	\$151,631.05
2009	\$252,191.70
2010	\$265,421.00
2011	\$278,770.00

Revenue Loss and Additional Service Hours

Route	Average Daily Ridership	Percent Ridership Impacted	Additional SVC Hours Necessary	FISCAL IMPACT
105	4,000	15%	50	\$10,050.00
106	3,000	20%	60	\$11,610.00
108	5,000	20%	60	\$13,110.00
207	2,000	20%	60	\$10,860.00
401	300	35%	13	\$2,421.75
TOTAL	14,300	N/A	243	\$48,051.75

Detour Management

Two employees responsible for planning all aspects of impact to operations, as well as approximately seven employees to manage the detours during the week of the event. **\$36,000.00**

Public Awareness

Costs of printing passenger information, detours, distribution of information through print or other media, as well as employee time spent designing customer information. **\$35,000.00**

Fuel

Fuel for additional service and detours, calculated at \$2.50 per mile **\$21,870.00**

GRAND TOTAL FISCAL IMPACT ==>> \$140,921.75

*Notes: Fare per passenger: \$1.25
FR cost per service hour: \$52.00
Days of event: 3

EXHIBIT F
PROPOSED SCHEDULE OF EVENTS

Exhibit F
Proposed Schedule of Events

Friday, April 6, 2007

8:30AM - 10:30AM Racing Practice Session

10:30AM - 12:30PM Track is open & cold for casinos and hotel entry

12:30PM - 4:30PM Racing Practice Session & Qualifying

The track will be open & cold for casinos and hotel entry following the final practice session & qualifying until Saturday morning activities begin.

Saturday, April 7, 2007

8:30AM - 11:30AM Racing Practice Session

11:30AM - 1:00PM Track is open & cold for casinos and hotel entry

1:00PM - 4:30PM Racing Practice Session & Qualifying

The track will be open & cold for casinos and hotel entry following the final practice session & qualifying until Sunday morning activities begin.

Sunday, April 8, 2007

8:00AM - 11:00AM Champ Car Practice & Atlantic Series Support Race

11:00AM - 1:00PM Track is open & cold for casinos and hotel entry

1:00PM - 4:00PM Champ Car World Series Race

The track will be open & cold at the conclusion of the race.